UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TENNESSEE AT KNOXVILLE, TENNESSEE

PAMELA C. PHIBBS,

Plaintiff

vs.

No. 3:16-cv-00156
(Phillips/Guyton)

REVENUE RECOVERY CORPORATION & BUFFALOE & VALLEJO, PLC,

Defendants

AFFIDAVIT OF CHRIS ADAMS IN SUPPORT OF DEFENDANT REVENUE RECOVERY CORPORATION'S MOTION FOR PROTECTIVE ORDER

STATE OF TENNESSEE)
) ss.
COUNTY OF KNOX)

I, CHRIS ADAMS, after being first duly sworn according to law, depose, affirm, and state as follows:

1. I am a resident of Knoxville, Tennessee and am over the age of eighteen.

2. I have personal knowledge of the facts set forth in this Affidavit and I am competent to testify to the matters stated herein.

3. I am Director of Collection Operations with Revenue Recovery Corporation ("RRC") and I have been employed by RRC for over thirteen years.

4. In my role as Director of Collection Operations, I am involved in and have knowledge of all aspects of RRC's business, including but not limited to being responsible for coordinating all of RRC's collection efforts and day-to-day strategies for those collection efforts,

EXHIBIT
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hiring and firing collection staff, identifying areas for improvement of current processes, working with other management level staff on improvement of current process, implementation of new collection strategies, etc.

5. Over the last ten years or more, the collection industry has gotten increasingly more competitive. Whether through new businesses entering the field or the consolidation of existing collection businesses together, competition for collection accounts has increased tremendously. At the same time, laws and regulations regarding collection accounts have increased as well.

6. In my experience in the collection industry, in order to be successful, a business must be able to handle as many accounts as possible, as efficiently as possible. In addition, the business must be able to maintain compliance with all applicable federal, state, and local laws and regulations regarding the collection of accounts. The combination of efficiency and compliance is what separates more successful collection businesses from less successful ones.

7. In the course of discovery in this action I have been advised that Plaintiff Pamela C. Phibbs ("Plaintiff") seeks production of various RRC internal policies and procedures. These include RRC's policies and procedures for: handling accounts connected to a bankruptcy filing; handling direct consumer disputes; handling indirect consumer disputes; credit reporting and furnishing credit information; and legal action on placed accounts.

8. RRC's internal policies and procedures, including those requested by Plaintiff, have been developed by RRC over a period of years. RRC has invested hundreds of hours of its management level staff in drafting, evaluating, revising and updating its internal policies and procedures over those years. The policies and procedures are designed to maximize RRC employee efficiency while still maintaining compliance with all applicable laws and regulations. In short, these policies and procedures outline RRC's business model as evidenced by the fact that,

while RRC's employees receive ongoing training with respect to the policies and procedures, they are only permitted to access the policies and procedures, when they have a question, through an internal network that does not permit them to print, download, or modify the policies in any way. Only management level staff's access is not restricted in this manner. In addition, all training materials that employees receive, which do not include physical copies of the policies and procedures themselves, are not permitted to be removed from the premises and all training materials are required to be returned by outgoing employees at the conclusion of their employment.

9. If RRC's business competitors were to obtain RRC's internal policy and procedure documents listed above, RRC would be at a competitive disadvantage in the marketplace. Those competitors would have first-hand knowledge of how RRC seeks to maximize its employees' operating efficiency while still maintaining compliance. RRC believes that it offers a superior product to its clients precisely because of how efficient and compliant RRC's employees are in their collection efforts. RRC believes this is what sets it apart from its competitors. If such internal documents were disclosed to RRC's business competitors, RRC would suffer harm.

AFFIANT FURTHER SAYETH NAUGHT.

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CHRIS ADAMS

SUBSCRIBED AND SWORN to before me this 24 day of January, 2017.

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NOTARY PUBLIC

NEELA BROWN
STATE OF TENNESSEE NOTARY PUBLIC
Exp. Aug. 31, 2019
KNOX COUNTY

My commission expires: ______________________________